



NEWS RELEASE



SRO for Mutual Funds Distributors to be Established

Toronto, November 24, 1997 – The Investment Dealers Association of Canada (IDA) and The Investment Funds Institute of Canada (IFIC) have agreed on the establishment and operation of a self-regulatory organization (SRO) for mutual fund distributors. The collaborative model is a SRO which will be managed by the IDA with shared governance and the support, in principle, of the Canadian Securities Administrators (CSA).

On November 20, 1997, the IDA, IFIC and the Ontario Securities Commission (acting for the CSA) met to discuss the proposed structure of the SRO. The IDA indicated its formal support and, at a meeting today, IFIC's Retail and Manager Councils also approved the plan.

The President and CEO will be Joseph J. Oliver, President and CEO of the IDA, and the Chair of the SRO will be Dax Sukhraj, Chair of IFIC. The Board of Directors will consist of 21 individuals, with equal representation from mutual fund distributors, the IDA and the public.

The CEO (Joseph Oliver) will manage the new SRO, which will include the supervision and compliance of the organization's members, with the assistance of senior regulatory staff from the IDA. Mr. Oliver and Mr. Sukhraj will be joint spokespersons for the organization.

IFIC and the IDA will begin to work together to establish the initial Board of Directors, and to nominate the Public Directors. A nominating committee comprised of IFIC and IDA members will begin the search now for a Chief Operating Officer.

"This is a balanced and appropriate structure for effective regulation of the industry," said Tom Hockin, IFIC President and CEO. Joe Oliver added, "We are eager to move ahead with the establishment of a self-regulatory organization which will enhance investor protection and maintain public confidence in the capital markets."

The Investment Dealers Association of Canada is Canada's national self-regulatory organization for the securities industry. The IDA represents 174 member firms, employing more than 30,000 people across the country. Established 86 years ago, the IDA promotes investor protection, public education and efficient capital markets.

The Investment Funds Institute of Canada is the national association of the Canadian investment funds industry. Member firms currently represent almost 100% of all open-ended mutual funds in the country. Membership comprises mutual funds managers, retail distributors and affiliates from the legal, accounting and other professions.

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